

MINUTES

FINANCE COMMITTEE

Meeting: February 24, 2021

Present via Zoom: Jerry Cerasale, Chair; Steve Cole, Vice-Chair; Mary Shaw, Clerk; George Deptula; Russ French; Tom Gardner; Rick Knight; Peter Wade; Jacqui Beebe, Town Administrator; Rich Bienvenue, Assistant Town Administrator/Finance Director; Art Autorino, Select Board Representative to the Finance Committee; Silvio Genao, DPW Superintendent

Absent: Steve Zbell

Jerry Cerasale called the meeting to order at 5:00 PM.

Discussion of FY22 Budget

Rich Bienvenue noted that he sent the DPW budget in advance, as well as a copy of his memo to the Select Board and drafts of articles for Town Meeting relevant to tonight's agenda.

Department of Public Works (DPW) – DPW Superintendent Silvio Genao recounted some of DPW's achievements for the past year including taking down the Tee Time building, retrofitting Town buildings for social distancing, using a message board at the Transfer Station to remind users about social distancing, fogging and sanitizing buildings, and getting insurance to pay for new, 30-year roofs for First Encounter Bath House, Town Hall and the Senior Center. In addition, DPW also removed the puddle from the end of Cove Road through regrading, added drainage structures on Nauset Road and converted an old fire truck to a dump truck. On the Natural Resources (NR) side, they bought new red nuns (floating markers) and channel markers and deployed them in the navigational area, maintained the new Rock Harbor docks and engaged in shellfish propagation to support recreational shell fishing through Salt Pond Sundays.

Silvio then addressed the Finance Committee concerns of about the Town Hall, Council on Aging and DPW buildings. For Town Hall, DPW will continue to implement the suggestions from the Facilities Condition Assessment which gave the Town a comprehensive list of repairs for the facility. The pandemic slowed work on this but all repairs are within the reach of DPW staff. DPW would like to complete feasibility studies for both the Council on Aging (COA) and DPW buildings. Each of these facilities serve very specialized needs and space needs assessment would help to evaluate alternatives. In response to questions, Silvio indicated the cost could range from \$75K upwards. Even if the Senior Center becomes part of a possible community center on the Tee Time property, an assessment would need to be done to understand the size facility needed. Also, maintenance on the COA building is needed now to bring it to code regarding ADA accessibility. Jacqui Beebe indicated that while a Community Center is a consistent theme for the Tee Time Committee, they are still in the assessment stage. There is \$30K set aside for a feasibility study for the COA which will be used to evaluate a facility housing both Recreation and the Senior Center.

Silvio then showed a recycling graph on which revenues shown were in addition to expenses covered by transfer station stickers. The DPW plans to continue its successful mattress program,

processing mattresses, as well as demolition materials for other towns. Silvio indicated the Transfer Station is running efficiently and he would like to consider using a Solid Waste Enterprise Fund. This would enable DPW to make the Transfer Station more self-sustaining with regard to capital expenses. Rich added that the contract for hauling fees which is up in 2025 and likely to increase. It is a very long-term contract (10-30 years) and prices fluctuate a lot. An Enterprise Fund would allow the DPW to accumulate and retain earnings to offset future costs, and thus manage risk.

In response to questions, Silvio indicated the Transfer Station was busier later into the year in FY21 with more people staying in town through mid-December. He will gather information about the proportion of taxpayers that have dump stickers. Silvio noted that staffing is almost where it needs to be. This year, he added a person at the Transfer Station so DPW staff don't need to assist there. He also added a part-time custodian, but gained cleaning the library which was previously contracted out. Silvio would like to increase the part-time custodian to full-time to improve cleaning and maintenance, add a motor equipment operator to serve as a fleet mechanic which would enable DPW to do maintenance on vehicles for other departments, and add two seasonal staff each summer to help at the Transfer Station and Natural Resources. Rich indicated if we were able to increase the budget, we could likely get the two summer people but the mechanic would have to wait until the following year. Silvio reiterated the Town Hall repairs have been put on hold because of the pandemic but should resume this spring. He responded that the proposed Rock Harbor boat to be shared with the Fire Department was needed because the existing boat was designed for ponds, has obstructed views and the hatch leaks. The 23-25' boat would be used for patrols (NR patrols daily) and rescues in any jurisdiction. Most of the small DPW overtime line is for beach trash removal; snow and ice removal is a separate budget.

The Finance committee thanked Silvio for his presentation.

Capital

Rich Bienvenue indicated that the Capital Plan now includes all capital items including routine recurring items such as vehicle replacement and department equipment, as well as capital items regardless of the funding source or date planned for replacement. Most capital is still planned to be funded by free cash, although we always look for other sources. We may bundle and bond for some capital needs as interest rates are low. The costs to replace buildings needs to be addressed after the facility studies. Over time, we have to plan and save in advance for future replacement costs. Silvio Genao commented that the new capital budget format is easier and transparent, showing all of the things the Town is doing no matter the funding source. A goal is to provide funds for facilities in general vs. specific projects at Town Meeting. This way the money is more flexible and it gives leeway to address both planned and unplanned needs as they arise. In response to a question, Rich noted that the Town Meeting vote on the leases on the ambulances and the Quint truck will require two-thirds votes as they are considered borrowing. Jacqui Beebe also mentioned the Seashore Land Exchange would be a separate article as it was neither operating nor capital.

Recap

Rich Bienvenue noted that when the budget was developed in December, several items were removed due to anticipated funding constraints. Now that they budget outlook has improved,

Rich and Jacqui Beebe will make some additional recommendations. DPW staff increases/ additional hours appear likely as does adding the Affordable Housing position which will be shared between operating and CPA funds. A part-time Rental Inspector and the moving of a part-time Recreation job to full-time will be considered. The Water Enterprise Fund is anticipated to have a balanced budget, but for this year, the easier path may be to ask for a General Fund subsidy.

Five-Year Capital Plan

As discussed, the Capital Budget will not include the ambulance, the Quint, or the NR/Fire Boat which will be in separate Articles, with the boat being a capital exclusion. The Town will also seek to fund an Injured on Duty Indemnity Fund with \$70K from Free Cash.

Rich answered the Committee's questions about rate payers vs. tax payers in the funding of Town building water charges. He indicated that the debt service on the water project was paid by tax payers. The high school is not charged for water usage because the school system allowed for a water tank to be built on the high school campus. Jacqui Beebe mentioned the water system is designed to give every single parcel access so every parcel pays. We currently have 1346 users and 155 pending. Once the pending become users, the system will be at its breakeven point.

Art Autorino complemented Silvio Genao on the new Nauset Light Beach Road; Silvio, in turn thanked his staff. Rich noted with the addition of \$780K, the Stabilization fund is just under its \$1.5mm goal. Jacqui noted it went from \$57K to \$1.5mm in five years; the new target is 15% of budget.

Approval of Minutes

- With the correction of a typo, Mary Shaw made a motion to approve the minutes as amended; Russ French seconded.
- **Roll call vote: 8-0**

Update on Press – Nauset Regional High School Building Project (NRHSBP)

Jerry Cerasale re-wrote the letter incorporating the Committee's input and sent it to reporters at the Provincetown Independent, Cape Cod Times, Cape Codder and Orleans Banner. It is also on the Town's Facebook page. Jerry received a thank you from the Nauset Regional School Committee. It is also on the webpage of the Eastham Democratic Town Committee. The Finance Committee thanked Jerry for his work on the letter. Jacqui Beebe noted that both the Select Board and Finance Committee letters would appear on the Town Website news section, and will be circulated as widely as possible.

Calendar for Warrant Article Discussion and Finance Committee Recommendations

As there was no Town Administrator's report, Jerry Cerasale moved to the next agenda item.

Jacqui Beebe said she would bring a preliminary draft of warrant articles to the Select Board meeting this coming Monday. As it is likely Town Meeting will be moved to Saturday, June 12, 2021, we can proceed a little more slowly than usual in voting on warrant articles. She will prepare a new timeline. The warrant will need to go to the printer on May 1.

New Business:

Jerry Cerasale asked the Committee's advice regarding asking about school choice costs at the March 10 meeting with the Nauset Schools Superintendent. The advice was to wait both until after the vote and until there is a new superintendent.

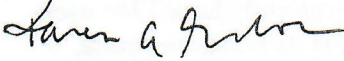
Adjournment:

As there was no additional new business, Steve Cole motioned to adjourn the meeting; Russ French seconded.

- **Roll call vote: 8-0**

The meeting was adjourned at 7:00 PM.

Respectfully submitted,



Karen Erdos